



United States Department of the Interior

FISH AND WILDLIFE SERVICE

Washington, D.C. 20240

IN REPLY REFER TO:

DIRECTOR'S ORDER NO. 176

Subject: Environmental Cleanup Liability (ECL) Reporting

Sec. 1 What is the purpose of this Order? This Order establishes Service policy and guidance for reporting ECL information. As used in this Order, the terms "we" and "our" mean the Fish and Wildlife Service.

Sec. 2 What is ECL? Future liabilities associated with cleanup due to past or current operations that have environmental closure requirements (such as solid waste landfills; treatment, storage, or disposal facilities; mine sites) or a release of hazardous substances, pollutants, and contaminants for which the Service is responsible. ECLs are considered "contingent" liabilities because, in most cases, the parties responsible for cleanup are not known. Even when they are known, the extent of contamination and method and cost of cleanup are not certain and may not be for many years to come. We report environmental liabilities where costs are probable and the amounts can be estimated.

Sec. 3 What are the authorities for the policy? Environmental liabilities must conform to specific accounting practices including:

- a. Public Law 103-356, (Government Management Reform Act of 1994).
- b. Public Law 101-576, (Chief Financial Officers Act of 1990).
- c. OMB Bulletin No. 01-09, Form and Content of Agency Financial Statements.
- d. Accounting for Liabilities of the Federal Government, Statement of Federal Financial Accounting Standards Number 5 (SFFAS No. 5), as amended, issued by the Financial Accounting Standards and Advisory Board.
- e. Accounting for Property, Plant, and Equipment, Statement of Federal Financial Accounting Standards Number 6, as amended, issued by Financial Accounting Standards Advisory Board.

Sec. 4 Who requires ECL reporting? The Office of Management and Budget (OMB) requires the Department of the Interior and other Federal agencies to prepare annual audited financial statements in accordance with the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994. OMB also requires that Federal agencies and Departments submit quarterly unaudited financial statements in accordance with OMB Bulletin 01-09. Agencies must report information on contingent

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environmental liabilities in their financial reports. To meet these requirements, the Office of Financial Management, Department of the Interior (DOI), requires us to report contingent environmental liabilities on a quarterly basis.

Sec. 5 What is Service policy on reporting ECL information? We will provide accurate ECL information in compliance with the DOI's time requirements. Service ECL information will include all future costs associated with cleanup resulting from past or current operations that have environmental closure requirements (e.g., solid waste landfills) or a release of hazardous substances, pollutants, or contaminants.

Sec. 6 Is other guidance available on reporting ECL information? The Assistant Secretary--Policy, Management, and Budget's memorandum of February 27, 2004, subject: Updating Schedule of Sites with Potential Environmental Liability, provides additional guidance to help identify environmental liabilities, estimate costs, and report information. This memorandum is available as Appendix A of the [Department of the Interior's Environmental Cleanup Liabilities Recording and Reporting Handbook](#).

Sec. 7 Why is this policy being implemented? This policy affects the quality of the information in the DOI Office of Environmental Policy and Compliance ECL database and the information that we report in our quarterly and annual financial statements. This policy is crucial to ensuring accurate, timely, and consistent ECL information in the Service's quarterly and annual financial statements. Application of the policy also allows for successful completion of Fiscal Year 2004 corrective action plans to ensure appropriate personnel are held responsible for the determination, review, and recording of ECL information.

Sec. 8 Who is responsible for ECL reporting?

a. **Project Managers** are responsible for identifying sites for ECL reporting, preparing accurate cost estimates for reportable projects per DOI guidance referenced in Section 6 above, obtaining Solicitor review of projects, and, when the project is being managed by the Region/CNO, forwarding data to the Regional Director/CNO Manager for approval. For projects managed by the Division of Engineering, Environmental and Facility Compliance Branch, the project managers will provide the data directly to the ECL coordinator.

b. The **Solicitor's Office** will review the data for each site and provide a brief summary of the legal status of the site (including but not limited to identifying other potentially responsible parties at the site, the likelihood that the Service will have a liability, and the percentage of the total liability estimated as the Service's responsibility).

c. For those projects being managed by a Region or CNO (e.g., Crab Orchard NWR and Detroit River International Wildlife Refuge), the **Regional Director or CNO Manager** is responsible for the completion of the final technical review of project liability estimates; the review and approval of completed project information; and the timely forwarding of completed project information to the Division of Engineering, Environmental and Facility Compliance Branch, for consolidation into the ECL database.

d. The **Division of Engineering**, Environmental and Facility Compliance Branch, through the ECL Coordinator, is responsible for the final technical review of those projects managed by the Division of Engineering; consolidating data on regionally managed projects; entering consolidated data into the ECL database; and forwarding the project information to the Division of Financial Management, Branch of Accountability and Program Assistance, and to DOI's Office of Environmental Policy and Compliance.

e. The **Division of Financial Management** (DFM) is responsible for the accounting review of the data, formulating the appropriate footnote references into the Service's quarterly and annual financial statements, and certifying that the data conforms to applicable accounting standards. The DFM is also responsible for responding to inquiries from parties compiling the data regarding accounting issues impacting ECL accruals.

f. The **Office of Environmental Policy and Compliance**, DOI, reviews the database for overall compliance with DOI environmental policy and forwards the data to the Office of Financial Management, DOI.

g. The **Office of Financial Management**, DOI, is responsible for merging the information, once it has been certified by DFM, into DOI's financial statements.

Sec. 9 When are the ECL updates due? The reports are due to the Department 1 week prior to the end of the quarter (December, March, June and September); therefore, data are due to the Environmental and Facility Compliance Branch 2 weeks prior to the end of the quarter. Provide information on newly identified facilities that need to be added to the ECL database to the Environmental and Facility Compliance Branch as soon as sites are identified. This national report is assigned Reports Control Symbol DOI-04-001, and will be listed on the National Reports Directory.

Sec. 10 Where can specific information be obtained? Technical information, including detailed definitions and column-by-column instructions on data entry into the ECL database can be found in Department of the Interior's Environmental Cleanup Liabilities Recording and Reporting Handbook.

Sec. 11 When is this Order effective? This Order is effective immediately. We will include the contents of this Order in Part 260 of the Fish and Wildlife Service Manual. This Order will expire on September 30, 2005, unless amended, superseded, or revoked.


Acting
DIRECTOR

Date: September 29, 2004